

Message Text

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10

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 SAL-01 SS-14 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-09 NSAE-00 TRSE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-03 PRS-01 USIA-12 L-03 H-02 RSR-01

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R 140655 Z MAR 73

FM AMEMBASSY TOKYO

TO AMEMBASSY PARIS

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

SECSTATE WASHDC 2276

AMEMBASSY ROME

USMISSION OECD PARIS

UNCLAS TOKYO 3047

PARIS, PASS SEC SHULTZ; WASHINGTON,; PASS TREASURY

3. O. 11652: N/ A

TAGS: EFIN JA

SUBJ: MIN FIN AICHI STATEMENT ON PARIS MONETARY CONFERENCE

SUMMARY: FOLLOWING IS TRANSLATION FULL COVERAGE OF
AICHI PRESS CONFERENCE WED NIGHT MAR 14 DEALING WITH
MONETARY CONFERENCE, GOJ VIEWS ON MONETARY REFORM AND
DOLLAR PROBLEM, AND REOPENING TOKYO FOREX MARKET MAR 19, AS
REPORTED IN ASAHI SHIMBUN MAR 15. END SUMMARY.

1. AICHI ISSUED FOLLOWING STATEMENT AT PRESS CONFERENCE:
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" AT CONFERENCE THIS TIME, ATTENTION IS BEING PAID TO
WHAT COUNTERMEASURES THE U. S. WILL CLARIFY, AND ARGUMENTS

MAY BE PUT FORTH, WITH REGARD TO THE INTL CURRENCY SYSTEM AS A WHOLE. AT ANY RATE, I EXPECT THAT PACKAGE SETTLEMENT MEASURES WILL BE DECIDED TO CALM DOWN THE PRESENT CURRENCY UNEASINESS. OUR COUNTRY WOULD LIKE TO EXTEND AS MUCH

COOPERATION AS POSSIBLE IN THIS CONNECTION."

2. ASAHI REPORTS QUOTE AFTER THAT, THE FIN MIN STATED IN PART AS FOLLOWS: (1) A SETTLEMENT POLICY, WHICH WILL BE DECIDED AT THE PARIS CONFERENCE, WILL NOT BE ONLY FOR THE PURPOSE OF REOPENING THE MARKET, BUT IT WILL ALSO PROBABLY BECOME LINKED WITH THE PROBLEM OF REFORMING THE CURRENCY SYSTEM, INCLUDING RECOVERY OF THE CONVERTIBILITY OF THE DOLLAR. BUT I DO NOT THINK THAT THIS POLICY WILL EXCLUDE TRADE PROBLEMS OR REVISION OF EXCHANGE RATES. (2) I INTEND TO HOLD SEPARATE TALKS WITH U. S. TREASURY SEC SHULTZ. IN SOME RESPECTS, I CANNOT UNDERSTAND WHAT THE U. S. IS DOING, AND THEREFORE, I WANT TO SOUND OUT HIS REAL INTENTIONS IN THIS CONNECTION. I ALSO INTEND TO POINT OUT THE IMPORTANCE OF RECOVERING THE CONVERTIBILITY OF THE DOLLAR, WITHOUT FEARING THAT THIS MAY REBOUND ON OUR COUNTRY IN CONNECTION WITH TRADE PROBLEMS AND OTHER QUESTIONS. I MET PRIMIN TANAKA ON THE NIGHT OF THE 14 TH, AND I RECEIVED HIS INSTRUCTIONS CALLING FOR VISTING ME WITH SOME AUTHORITY. THEREFORE, I WILL BE ABLE TO CARRY OUT FREE ACTIVITIES WHILE IN PARIS. (3) I DO NOT KNOW WHAT COUNTERMEASURES THE U. S. WILL CLARIFY AT THE PARIS CONFERENCE. HOWEVER, EVEN IF MERE INTERVENTION IN THE NEW YORK MARKET IS SECURED THROUGH THE RESUMPTION OF SWAPS (MUTUAL DEPOSITS OF CURRENCIES AMONG CENTRAL BANKS), IT PROBABLY CANNOT BE SAID THAT CONFIDENCE IN THE DOLLAR HAS BEEN RECOVERED FUNDAMENTALLY. (4) AT THE PARIS CONFERENCE, THERE MAY ALSO BE SOME CASES WHERE OUR COUNTRY WILL PRESENT DEMANDS TO THE U. S., FALLING INTO STEP WITH THE EC. HOWEVER, THERE ARE ALSO SOME THINGS WHICH JAPAN ITSELF SHOULD EMPHASIZE. (5) THE TOKYO FOREIGN EXCHANGE MARKET WILL PROBABLY BE REOPENED BY THE 19 TH. THE MARKET WILL BE REOPENED EARLIER THAN EUROPEAN MARKETS, IN CONNECTION WITH THE DIFFERENCES IN TIME. HOWEVER, THERE IS PROBABLY NOTHING WRONG IN THIS CONNECTION. (6) I WOULD LIKE TO HASTEN REFORM OF THE CURRENCY SYSTEM, BUT IT WILL PRESUMABLY BE DIFFICULT TO ADVANCE QUICKLY IN THAT

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DIRECTION. HOWEVER, VARIOUS NATIONS WILL PROBABLY HAVE TO MAKE CONSTRUCTIVE EFFORTS TO RECONSTRUCT THE CURRENCY SYSTEM."

3. AICHI ALSO REPORTED TO HAVE SAID "(1) I EXPECT THAT PACKAGE SETTLEMENT MEASURES FOR CALMING DOWN THE CURRENCY UNEASINESS WILL BE DECIDED AT THE PARIS CONFERENCE, AND (2) I INTEND TO MEET SEPARATELY WITH U. S. SEC OF THE TREASURY SHULTZ AND TO SOUND OUT HIS VIEWS AS TO REFORM OF THE CURRENCY SYSTEM AND THE NEW TRADE ACT BILL

OF AMERICA."

4. ASAHI REPORTS " AICHI IS STRENGTHENING HIS JUDGMENT THAT, WITH THE U. S. FORMULATING SOME COUNTERMEASURE OR OTHER, VARIOUS OTHER NATIONS WILL BE ABLE TO RE- OPEN THEIR FOREIGN EXCHANGE MARKETS UNDER A FLOAT SYSTEM, BY THE 19 TH, BUT THAT THE PROBLEM OF MEASURES FOR SECURING FUNDAMENTAL RECOVERY OF CONFIDENCE IN THE DOLLAR WILL BE CARRIED OVER TO THE CURRENCY REFORM 20- NATION COMMITTEE FIN MIN CONFERENCE TO BE HELD IN WASHINGTON LATE THIS MONTH. AT THE PARIS FIN MIN CONFERENCE THIS TIME, HE WILL PROBABLY TAKE THE POSTURE OF EXTENDING AS MUCH COOPERATION AS POSSIBLE FOR SETTLEMENT OF THE CRISIS, AND HE WILL PRESUMABLY LAY STRESS ON " SOUNDING- PUT" ACTIVITIES AS TO THE 20- NATION COMMITTEE CONFERENCE."

5. ANOTHER FRONT- PAGE REPORT CAPTIONED " GOVT TO ACT IN CONCERT WITH EUROPE; ESTABLISHMENT OF MULTINATIONAL ENTERPRISE COUNTERMEASURES TO BE DEMANDED, TOO," SAYS " PRIMIN TANAKA AND FINMIN AICHI, AT THE UPPER HOUSE BUDGET COMMITTEE MEETING ON MAR 14, SPOKE ON THE ATTITUDE TO BE ASSUMED BY OUR COUNTRY TOWARD THE MAJOR NATIONS FINANCE MINISTERS CONFERENCE, WHICH WILL BE RESUMED IN PARIS ON THE 16 TH, AND CLARIFIED THEIR POLICY FOR LAYING STRESS ON ASKING THE U. S. FOR 'RECOVERY OF THE CONVERTIBILITY OF THE DOLLAR,' IN ORDER TO DISPEL THE DOLLAR UNEASINESS WHICH IS THE BASIC CAUSE OF THE CURRENCY UNEASINESS. THEY ALSO CLARIFIED THAT THEY WILL ASK THE U. S. SIDE TO RESTRICT THE OUTFLOW OF CAPITAL AND TO TIGHTEN MONEY, AND THAT IN REGARD TO MEASURES TOWARD MULTINATIONAL ENTERPRISES, OUR COUNTRY WILL ACT IN CONCERT WITH VARIOUS EUROPEAN NATIONS, IN ORDER TO CURB CURRENCY SPECULATION, CASES OF WHICH ARE OCCURRING, ONE AFTER ANOTHER. THESE STATEMENTS CAME AS REPLIES TO KAKU ASHIKA (JSP) WHO PRESSED THE GOVT TO GIVE AUTONOMY TO ITS CURRENCY DIPLOMACY. THE PRIMIN ALSO STATED THAT NOW THAT UNCLASSIFIED

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THE SITUATION OF THE 10 PERCENT DOLLAR DEVALUATION HAS COME IN ONLY ONE YEAR SINCE THE ' SMITHSONIAN STRUCTURE' WAS ESTABLISHED ON THE BASIS OF THE SPIRIT OF INTL COOPERATION, 'I HOPE THAT THE U. S. WILL ACT THIS TIME, GIVING CONSIDERABLE WEIGHT.' SO SAYING, HE CLARIFIED HIS INTENTION OF APPLYING 'PRESSURE' ON THE U. S. FOR RECOVERY OF THE CONVERTIBILITY OF THE DOLLAR, THROUGH THE PARIS CONFERENCE AND THE WASHINGTON CONFERENCE (20- NATION COMMITTEE FINANCE MINISTERS CONFERENCE)

SLATED TO BE HELD IN WASHINGTON LATE THIS MONTH. THE PRIMIN SAID THAT ' NOW IT IS AMERICA' S TURN,' AND HE MENTIONED THE U. S. BY NAME, AS THE ' NATION RESPONSIBLE' FOR SETTLEMENT OF THE CURRENCY CRISIS. THIS MEANS THAT THE PRIMIN EXPRESSED DISSATISFACTION WITH THE FACT THAT THE U. S. HAS CARRIED OUT A SURPRISE DEVALUATION OF THE DOLLAR, AT THIS TIME WHEN JAPAN IS MAKING UTMOST EFFORTS TO AVOID A RE- REVALUATION

OF THE YEN THROUGH ITS THIRD YEN COUNTER- POLICIES. THE FACT
THAT THE PRIMIN CITED THE EXAMPLE OF WEST GERMANY, WHICH WAS
FORCED TO REVALUE ITS CURRENCY BY 3 PERCENT, AND THAT HE
CLARIFIED HIS POLICY FOR ACTING IN CONCERT WITH VARIOUS
EUROPEAN COUNTRIES IN REGARD TO DEMANDING RECOVERY OF ZM
CONVERTIBILITY OF THE DOLLAR, IS ALSO REGARDED AS AN EXPRESSION
OF SUCH DISSATISFACTION."
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<< END OF DOCUMENT >>

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